

Example A1: “Bank voted 8–1 to maintain rates” Moderator comments

Criterion A B C D E Total

Marks available 3 2 2 3 4 14

Marks awarded 3 2 2 2 3 12

The section of the syllabus example A1 appropriately relates to is section 2.

Nature of the article

The article was published within one year of when the commentary was written, and the source is acceptable and very common: the British Broadcasting Corporation (BBC).

The article is short, and not overly inspiring, but it allows the student to analyse an economic issue, and has a degree of ambiguity that can be discussed in the commentary. The article could be criticized for containing a significant amount of economics, but the theories alluded to in the article are not developed or explained.

Criterion A: Diagrams

The two diagrams are both relevant and explained. They are also correctly labelled. However, the explanations lack some detail and are best described as correct and adequate. The second diagram does not really explain how an increase in LRAS–LRAS1 (long-run aggregate supply curve) would lead to lower prices and economic growth. It is a judgment call whether the explanation is “limited” or “full”, that is to say, whether at level 2 or 3. On balance the “best fit” is level 3, but this is borderline.

Criterion B: Terminology

This is strong throughout. The student understands, and can use, the terminology of economics.

Criterion C: Application

The analysis is linked to the article, and the idea of interest rate changes and their effects is clear throughout, even though the student goes slightly off topic in the latter stages of the commentary.

Criterion D: Analysis

As with criterion A, this is borderline between the two levels.

The student clearly understands the role interest rates play in the economy, but makes a mistake when he or she concludes that interest rates do not largely affect business costs. The idea of privatization is introduced, but not convincingly, and the analysis of the effectiveness of supply-side policies is not thorough.

The analysis is almost at a level 3, but not quite.

Criterion E: Evaluation

There is some strong evaluation, particularly in the first half of the commentary. The student correctly points out that the effect of unanticipated inflation is a problem for wage negotiators. It is also made clear that a loss of international competitiveness is not a problem if trading partners have similar inflation rates. However, towards the end of the commentary the evaluation weakens, and only a cursory statement about the long run is included at the end.

Overall

A good commentary, but not without its faults. Evaluation and analysis could both be improved.